



LRTM 350e Drill Rig and FL262 Freedom™ Loader

Annual General Meeting
May 2018 – Melbourne



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Longyear™ Diamond Coring Bits

Chairman's Address
Marcus Randolph



World's leading provider... of drilling services, equipment and tooling



Our Focus

- Tough, deep drill holes under difficult circumstances
- Innovative drilling products and data management
- Safe, reliable, cost-efficient performance



Global Drilling Services

- Active Across all Mining Stages



Stage	Boart Longyear Service Offering
Explore	<ul style="list-style-type: none"> ▪ Surface coring ▪ Reverse Circulation ("RC") to get through overburden quickly ▪ Rotary for water exploration
Evaluate	<ul style="list-style-type: none"> ▪ Surface coring ▪ Reverse Circulation
Develop & Construct	<ul style="list-style-type: none"> ▪ Water services ▪ Underground drilling ▪ Surface coring
Mine	<ul style="list-style-type: none"> ▪ Reverse Circulation for step out drilling ▪ Reverse Circulation to get through overburden quickly ▪ Underground blast and percussive drilling ▪ In-pit surface and underground coring ▪ Horizontal drilling and vertical drains for pit stabilization
Process & Optimize	<ul style="list-style-type: none"> ▪ Underground coring ▪ Water services ▪ Sonic

FY 2017 Drilling Services Revenue by Stage

Development (Near Mine/Brownfield)	57%
Production (In-Pit)	24%
Exploration (Greenfield)	10%
Non-Mining	9%

50% of Drilling Services revenue comes from Gold

Advancing Drilling Equipment

- Continuing to deliver a safer and more productive drill rig



**LF™ 160 Rig and
FREEDOM™ Loader**
(Surface Coring)



**MDR700 Mobile
Drill Rig**
(Underground Coring)



**LF™ 350e Rig and
FREEDOM™ Loader**
(Surface Coring and Deep Hole exploration)



- 100% hands-free for safe and reliable rod management
- Tilting head and hydraulic clamping simplify handling for improved productivity
- Only mobile underground rig on market offering rod handling
- Unique maneuvering ability for faster and easier setup between holes
- Powerful, cutting-edge technology optimized for deep hole exploration
- Added safety, control, and rod handling features maximize heavy-duty performance

Leading innovation in the industry

- Continued focus on R&D through the cycle



Longyear™ Bits

(Diamond Coring)



- Patented new diamond bonding technology
- Case study shows 23% increase in meters drilled/hour

XQ™ Rods

(Deep-hole Drilling)



- New patented thread design
- Increased strength and load capacity
- Designed for deep hole and rod handling applications

TruScan™

(On-site Assay)



- Proprietary onsite assay technology
- Done by our drill crews
- Real time results
- Now in use

TruShot™

(Down-hole Survey)



- Launching in 2018
- Done by our drill crews
- Built in quality checks to save time and money

FY 2017 Highlights

- Improvement in operating performance and market outlook



Safety

Continued Industry-leading Safety Performance

- LTIR – 0.22 (2016 – 0.11) ¹
- TCIR – 1.62 (2016 - 1.41) ¹
- **FOCUS:** Clear, simple systems and processes

Operating Performance

Delivered productivity improvements across the organisation

- 7% improvement in rig utilization and number of operating rigs
- Doubled rod plant throughput to meet increased demand
- Exited 19 countries with unsatisfactory profitability (continued operations in 22 countries)
- **FOCUS:** Industry leader in “keeping the bits turning”

Financial Performance

Improved key financial metrics

- Revenue up 15% to \$739M
- Gross Margin up 29% to \$111M and Adj EBITDA up 35%
- Recapitalization reduced cash interest and extended US\$532M debt maturity until 2022.
- **FOCUS:** Improve EBITDA, reduce debt

Technology advancement

Introduced innovative technologies

- Advanced data services; TruCore™, TruShot™ and TruScan™
- Increasing levels of automation in drills to improve safety and productivity
- **FOCUS:**
 1. Faster, safer, easier-to-use drilling products
 2. Instantaneous drill results, delivered by our drill crews



CEO's Address Jeff Olsen



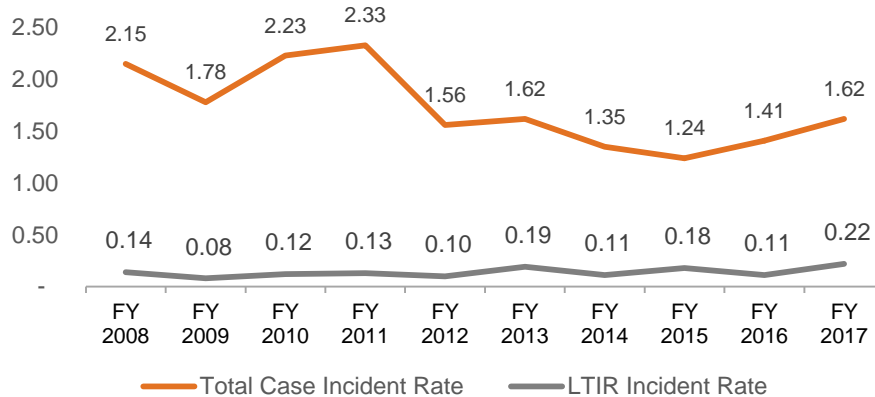
**BOART
LONGYEAR™**

Safety & Environment

- Leading safety performance focused on continuous improvement



Total Incident Rates¹



Leading safety performance KPI's

- LTIR – 0.22
- TCIR – 1.62

Our goal is to add value with zero harm – leading our industry with our employees returning home safely each day and performing our work with minimal impact to our neighbors or the environment.

Safety Performance

- Lost time incidents - 11
- Total case incident rate - Moderate increase

Continuous Improvement

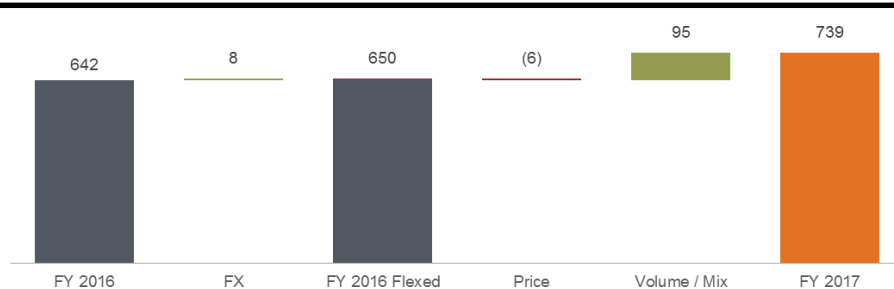
- The following key initiatives were designed to address performance issues, based on root cause analysis:
 - Standards simplification project - designed to drive improved accountability
 - GEMS Mobile App upgrade and Inspection Data Recording – to deliver real time information
 - Soft-Start Initiative – Implemented to address potential beginning of year safety concerns
 - Drill Crews take 15 minutes every 2 hours to reassess potential hazards.
 - Resulted in a 40% decrease in reported incidents from January 2017.

Consolidated Results Summary: FY 2017

- Volume increasing along with continued operational improvements

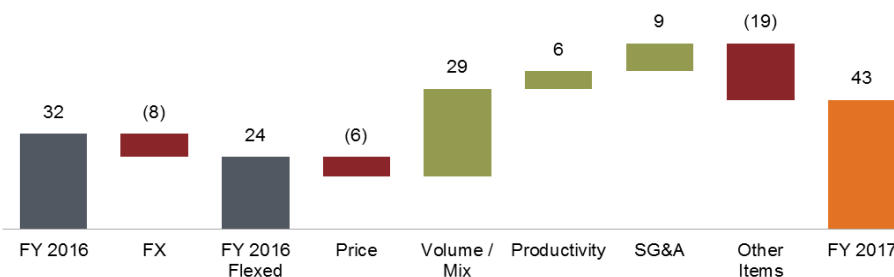


(US \$M) Consolidated Revenue Bridge



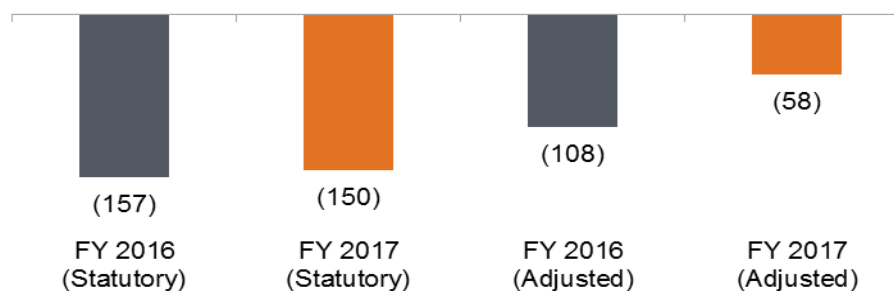
- Revenue increased \$97M (15%), driven by volume increases across both Drilling Services and Products
- Consecutive half on half increases in revenue since H12016
- Continued increase in bidding activity & product backlogs

Consolidated Adjusted EBITDA² Bridge



- Adjusted EBITDA up \$11M (34%) driven by:
 - Flow through from increased volumes
 - Successful productivity improvements
 - Further SG&A reductions

Net Profit After Tax²



- Adjusted NPAT improved by \$50M
- Statutory NPAT improved by \$7M, impacted by one-off restructure costs

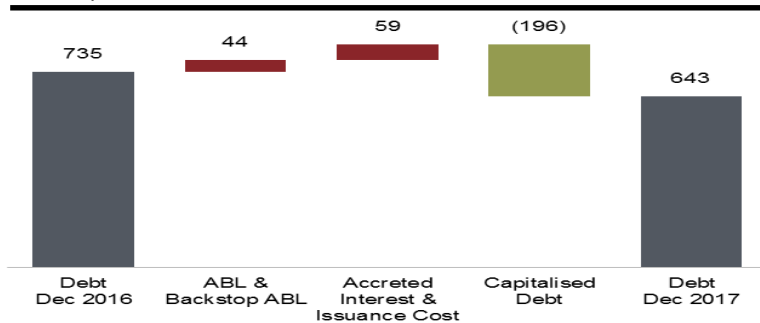
Completed Recapitalisation

- Met objectives to reduce debt, improve liquidity and extend maturity



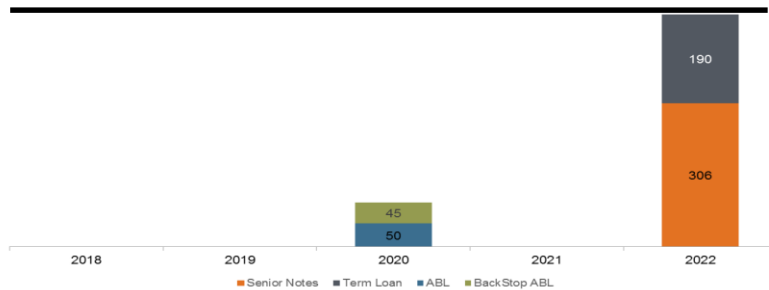
(US \$M)

Reduced Debt



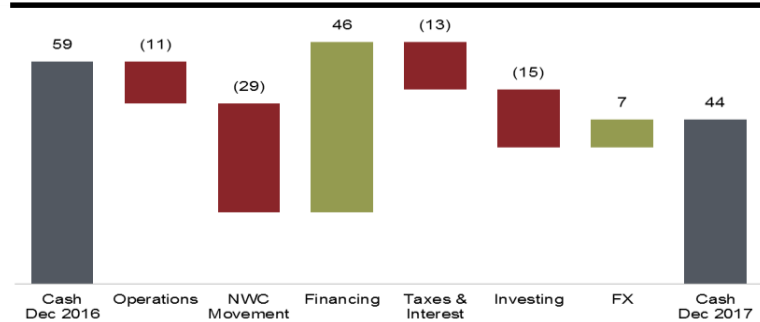
- Significant reduction in debt and future PIK rates
 - Converted \$196M into Equity,
 - Further \$88M reduced to 1.5% PIK
 - Reduced Term Loan PIK rate to 8% (from 2019 onwards)
- Expanded size of ABL facilities

Extended Debt Maturities



- Extended maturity of outstanding notes to December 2022
- ABL facilities extended to 2020

Improved Liquidity Position



- Improved liquidity position
 - No cash interest payments due in 2018
 - Removed all future cash interest on unsecured notes
 - Expanded ABL facility
- Working capital build in H2 2017 driven by growth in business

First Quarter 2018

- Market improvement continues & well placed to capture our share



(US \$M)	Total Company		
	31-Mar-18	31-Mar-17	% Change
Revenue	188	164	15%
Statutory EBITDA	13	(4)	425%
Adjusted EBITDA	15	9	67%
Statutory Net Profit After Tax	(17)	(47)	64%
Adjusted Net Profit After Tax	(14)	(34)	59%
Net Cash Flows Used in Operating Activities	-	(39)	NMF
Net Debt	616	726	15%
SG&A	23	27	15%
Number of Employees	4,882	4,444	-10%

- **Revenue** - Increased \$24M (15%), driven by volume increases across both Drilling Services and Products
- **Statutory EBITDA** – Increased \$17M from higher volumes, productivity improvements and further reductions in SG&A
- **Liquidity** – \$55M Availability
 - **Cash Balance** - \$37M
 - **ABL Facility** - \$18M

Drilling Services

	31-Mar-18	31-Mar-17	% Change
Revenue	122	107	14%
Statutory EBITDA	12	10	20%
Average Number of Operating Drill Rigs ⁶	300	277	8%
Average Number of Drill Rigs ⁶	677	738	-8%
Average Rig Utilisation	44%	38%	7%
Number of Employees	3,647	3,146	-16%

- **Revenue** - Up 14% from Q1 2017 with clients annual drill programs starting early.
- **Average Operating Rigs** - 300 (8% Increase)

Products

	31-Mar-18	31-Mar-17	% Change
Revenue	66	56	18%
Statutory EBITDA	8	6	33%
Average Backlog	32	22	45%
Number of Employees	947	974	3%

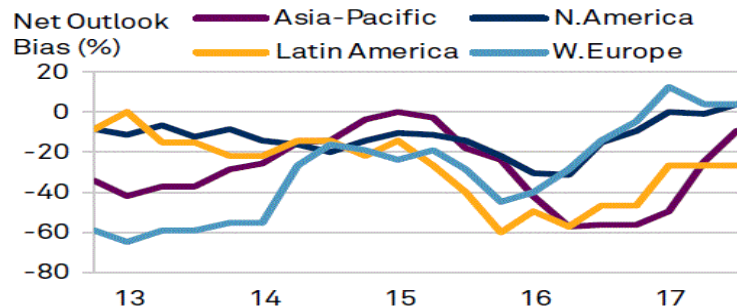
- **Revenue** - Up 18% from Q1 2017 with stronger rig and exploration tooling sales
- **Average Backlog** – Increased by 45% on stronger exploration activity

Stronger Leading Indicators

- Significant improvement in key customer metrics and outlook

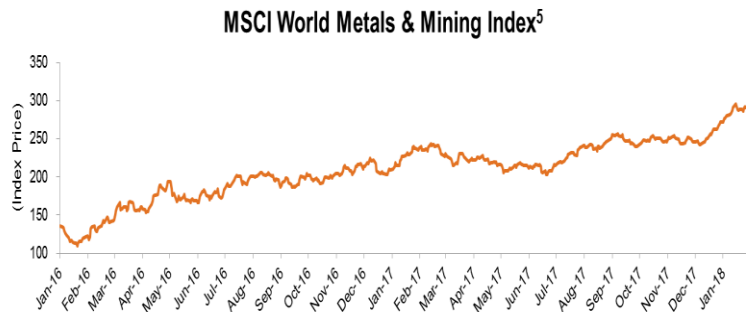


Debt Ratios



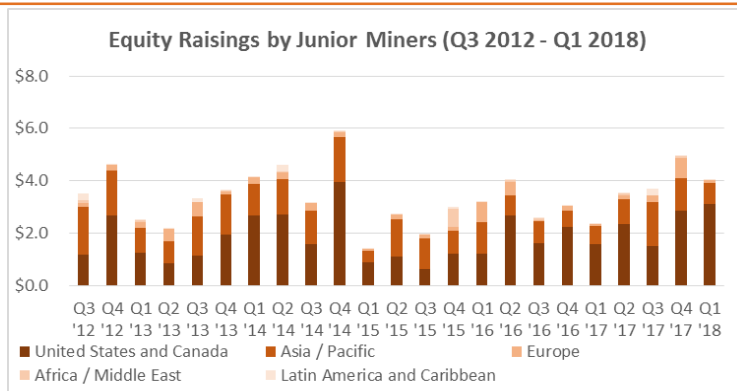
- Mining industry debt ratings are improving
- Improved industry balance sheets will result in increased drilling activity for reserve / resource replenishment

Mining Indices



- Improvement of 99% in MSCI index since Q1 2016
- Suggests increasing investor interest in mining sector

Equity Raisings



- Junior equity raisings trending upwards
- Greater availability of funds for exploration activity

FY 2018 Strategic Objectives

- Build on the operational improvements delivered in 2017



Safety

Continue to be an industry leader

- Simplify safety systems and standards
- Implement soft start hazard risk program
- Expand onboarding program to include detailed technical training

Operations

Remain focused on maintaining and growing customer relationships

- Build on operational efficiency improvements made in 2017
- Focus on improved commercial systems, processes and strategy
- Build fleet readiness

Technology

Customer is at the core of the company's strategic priorities

- Reduce costs and improve efficiencies with our drilling and products customers through new technologies and products
 - Launch additional digital technologies in 2018 including TruScan, our proprietary on-site XRF assaying technology
 - Launch new patented Longyear Bits
 - Launch patented XQ deep hole rods

Financial

Create value through improved EBITDA

- Improve performance through focus on costs, efficiencies and market growth opportunities
- Manage improved liquidity post restructuring, preparing for new opportunities
- Focus on managing working capital



TruScan™ Innovative Core Scanning Technology

Chairman's Conclusions Marcus Randolph



Outlook for 2018 and Beyond



- Forecast for global growth is >3%
- Resource stock prices up 65% and junior equity raisings up 49% over the last 2 years.
- Demand for our drilling products and services increased in 2017 for the first time since 2011.
- Our revenue growth has benefitted from increased demand but not increased price
- In certain types of drilling and some markets, drilling services providers are already at full capacity
- Expect to see benefits of both increased demand and increased price in 2018



Questions?



- **Footnote 1:** Per 200,000 work hours.
- **Footnote 2:** Loss from Trading Activities, Adjusted Gross Margin, Adjusted Operating Loss, Adjusted SG&A, Adjusted EBITDA and Adjusted NPAT Loss are non-IFRS measures and are used internally by management to assess the underlying performance of the business and have been derived from the Company's financial results by adding back significant items (i.e., charges relating to recapitalisation, impairments, restructuring, and employee and related costs). In the case of Pro Forma Adjusted EBITDA, additional adjustments are made to account for one-time items. In the case of Adjusted NPAT, additional adjustments are made to account for the tax effect of significant items and other tax write-offs and, in the case of Loss from Trading Activities, adjustments are made to Adjusted Operating Loss to remove other expense/income.
- **Footnote 3:** Operating rigs defined as the number of weekly operating rigs generating revenue. Utilisation figures based on operating rigs divided by rigs held in the fleet.
- **Footnote 4:** Transactions between segments are carried out at arm's length and are eliminated on consolidation.
- **Footnote 5:** Source: S&P Global Market Intelligence
- **Footnote 6:** Number of drill rigs have been sold, scrapped or decommissioned since Q1 2017. Q1 2017 release overstated operating rigs at 300 being average operating rigs in the month of March 2017 and not representing the full quarter average